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AUG 04 2005

PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK )  
LIMITED LIABILITY COMPANY FOR THE ISSUANCE )  
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND ) CASE No 2005-00188  
NECESSITY TO CONSTRUCT A TOWER IN BREATHITT )  
COUNTY, KENTUCKY).

In case number 91-002 East Kentucky Network, LLC, formerly Mountaineer Cellular Limited Liability Company was granted a Certificate of Public Convenience and Necessity by the Kentucky Public Service Commission to construct and operate a cellular radio telecommunications system for KY RSA 10.

In an effort to improve service in Breathitt County, East Kentucky Network, LLC Pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower near Jackson, Kentucky. The proposed tower will be a 250 foot self-supporting tower located on Lick Branch of the North Fork of the Kentucky River, in the head of Mike Conner Hollow near Jackson, in Breathitt County, Kentucky. (Latitude 37-32'-26" N and Longitude 83-23'-29" W). A map and detailed directions to the site can be found in Exhibit 8.

East Ky Network LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

FAA and Kentucky Airport Zoning Commission approvals have been applied for and final approval is included within this application. These applications are enclosed as Exhibit 4 and 6.

No Federal Communications Commission approval is required prior to construction of this facility. Once service is established from this tower we must immediately notify the Federal Communications Commission of its operation. Prior approval is needed only if the proposed

facility increases the size of the cellular geographic service area. This cell site will not expand the cellular geographic service area.

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 3

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at Allstate Tower Inc. of Henderson, KY and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by A & D Communication of Cattlesburg, Kentucky. A & D has vast experience in the erection of communications towers.

Enclosed, and should be filed with Exhibit 10, back of folder, is a survey of the proposed tower site signed by a Kentucky registered professional engineer. There is no structure within 500 feet of the proposed tower as indicated in this enclosure. Exhibit 2 is a list of all Property owners or residents within 500' of the proposed tower. No other properties are contiguous with East Kentucky's property.

Exhibit 10, back of folder, also contains a vertical sketch of the tower supplied by Coleman Engineering.

Pursuant to 807 KAR5:063 Sections 1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposed construction and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification.

Breathitt County has no formal local planning unit. In absence of this unit the Breathitt County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network Limited Liability Company's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 1 is a copy of that notification.

East Kentucky Network, LLC will finance the subject Construction with earned surplus in its General Fund.

Estimated Cost of Construction	140,000.00
Annual Operation Expense of Tower	12,500.00

A sign 24" X 48" which conforms to the Public Service Commissions guidelines issued on September 3, 1997 was posted on the site on May 9 and will remain posted for at least two weeks after filing of this application as specified by the PSC guidelines. A second such sign was posted at the nearest public road, and will remain posted two weeks after this filing.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's deeds to the site.

Notice of the location of the proposed construction was published on the second & third weeks of May in the Jackson Times, in Jackson, Kentucky. Enclosed is a copy of that notice in Exhibit 1. The Jackson Times is the newspaper with the largest circulation in Breathitt County.

The proposed construction site is on a very rugged mountaintop some feet from the nearest structure. Prior to construction the site was wooded.

Due to the steep hillside surrounding the proposed site, the property in close proximity is unsuitable for any type of development. East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else.

The foregoing document was prepared by Janice Robinson, Technical Site Coordinator for East Kentucky Network d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to my attention or to Gerald Robinette, General Manager, East Kentucky Network, LLC d/b/a Appalachian Wireless, P. O. Box 405, Prestonsburg, KY 41653.

APPROVED BY: Gerald F. Robinette

Date: 8-3-05

Gerald Robinette, General Manager

August 3, 2005

**Phone: (606) 791-2375, Ext. 110**

**Email: (grobinette@ekn.com)**

Gerald Robinette, General Manager

East Kentucky Network, LLC.

d/b/a Appalachian Wireless

355 Village Drive, P. O. Box 405

Prestonsburg, KY 41653

**EAST KENTUCKY NETWORK, LLC  
d/b/a APPALACHIAN WIRELESS**

**JACKSON II CELLTOWER SITE**

**CASE # 2005-00188**

**JACKSON, BREATHITT COUNTY, KENTUCKY**

**EXHIBIT**

**ITEM**

1. Notification/Response from County.
2. Copies of Cell Site Notices.
3. Universal Letter of Soil Bearing Analysis by  
Registered Professional Geologist.
4. Kentucky Airport Zoning Commission  
Application and Determination.
5. Tower Design
6. FAA Approval & Notice of Proposed  
Construction
7. 2004 Audited Financial Statements
8. Maps to Suitable Scale
9. Deed of Conveyance or Lease Agreement for  
the Proposed Tower Site Property
10. Survey of Site signed and sealed by a  
Professional Engineer Registered in Kentucky



EAST KENTUCKY NETWORK  
POST OFFICE BOX 405  
PRESTONSBURG, KY 41653  
PHONE: (606)886-6007  
FAX: (606)886-0206  
EMAIL: INFO@EKN.COM  
WEBSITE: EKN.COM

EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

May 6, 2005

LEWIS WARRIX, Judge Executive  
Breathitt County Court House  
1137 Main Street  
Jackson, KY 41339

Phone (606) 606-666-3800

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00188)

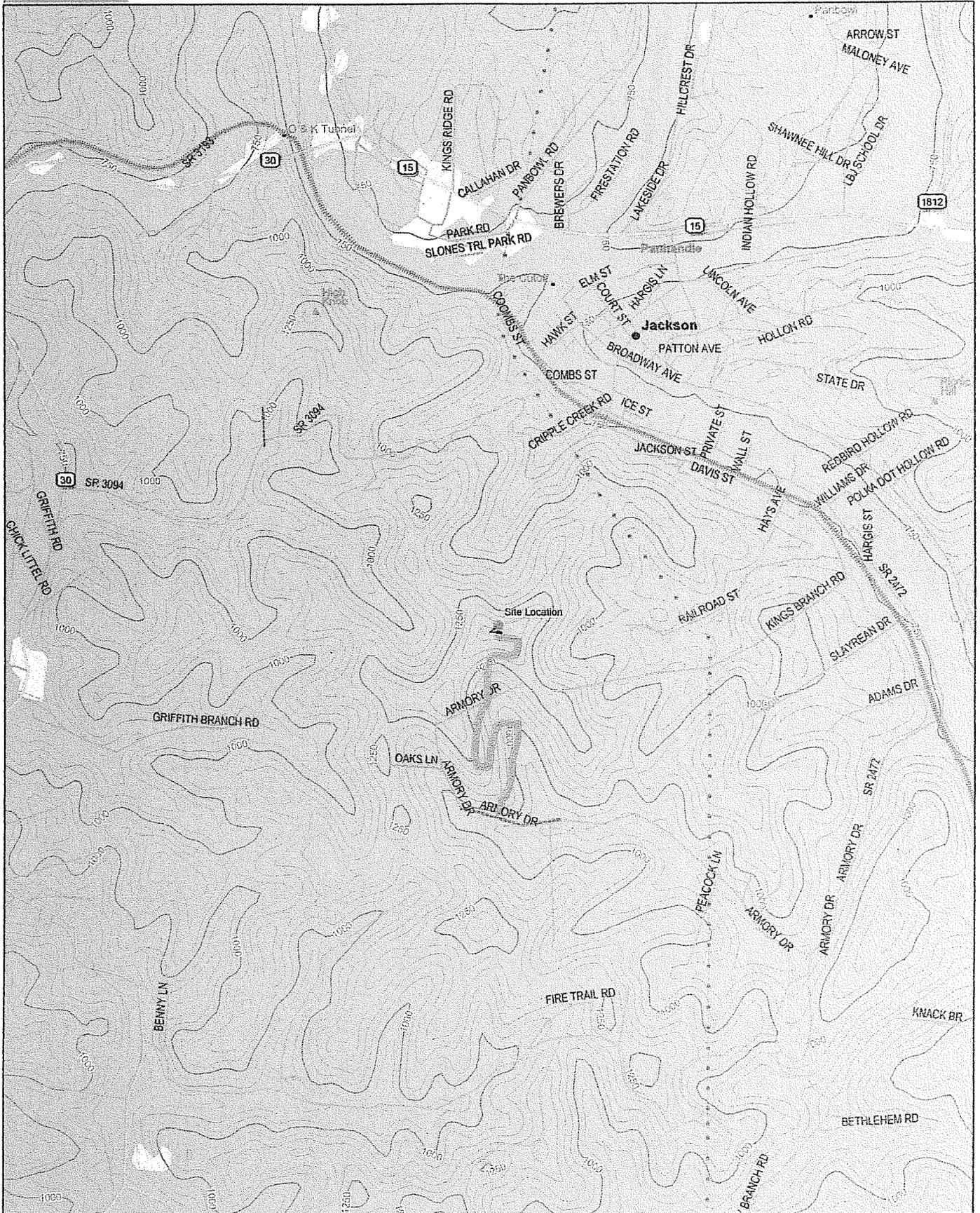
East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 250 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be located on a ridge in Breathitt County near Jackson, Kentucky. (37-32-26.0 N / 83-23-29.0 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Breathitt County.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2005-00188 in your correspondence.

Sincerely,

Michael Huffman, CPA  
Controller  
enclosure



d/b/a Appalachian Wireless  
P.O. Box 405  
355 Village Drive  
Prestonsburg, KY 41653  
Phone: 606/886-6007  
Fax: 606/791-2225

EAST KENTUCKY  
NETWORK



**Fax**

**To:** Jackson Times

**From:** JANICE ROBINSON

**Fax:** 606-666-5757

**Phone:** 606-791-2375, Ext. 166

**Phone:** 606-666-2451

**Pages:**  Pages (INCLUDING COVER)

**Re:** PUBLIC NOTICE ADVERTISEMENT

**Date:** May 6, 2005

We would like to have the following public notice printed in Jackson Times for the next two weeks with bill being sent to East Kentucky Network, P. O. Box 405, Prestonsburg. The notice should state the following:

**PUBLIC NOTICE:**

**RE: Public Service Commission of Kentucky (CASE NO. 2005-00188)**

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower on a ridge near Jackson in Breathitt County, Kentucky. The proposed tower will be a 250-foot self-supporting tower. The proposed tower site is located on Lick Branch of the North Fork of the Kentucky River, in the head of Mike Conner Hollow. (Latitude 37-32'-26" N and Longitude 83-23'-29" W). If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P o Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2005-00188.

If you have questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 166.

Thank you,

*Janice Robinson*, Accounting Coordinator

If you have any problems with this fax, please call 606/886-6007.

The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.



**LIST OF PROPERTY OWNERS**  
**JACKSON II TOWER SITE**  
(WITHIN 500 FEET)

JAMES PATRICKS  
638 KINGS BR. RD  
JACKSON, KY 41339

CURTIS RAY & MARRIETTAE OAKS  
1760 LICK BR. RD.  
JACKSON, KY 41339

HARGIS SHOUSE  
156 RUSSELL DRIVE  
CAMPTON, KY 41301

J. L. SHOUSE  
3135 N ST RT 741  
FRANKLIN, OH 45005

SHARON BUSH  
GDN MARK & AMY  
P O BOX 938  
BEATTYVILLE, KY 41311

FREDDIE TERRY  
1935 LICK BRANCH RD.  
JACKSON, KY 41339

DARRELL HALCOMB & KIM VIRES  
77 OAKS LANE  
JACKSON, KY 41339

DEBRA & GEORGE OAKS  
1755 LICK BRANCH RD  
JACKSON, KY 41339

ARTHUR & LOUISE OAKS  
1751 LICK BRANCH RD  
JACKSON, KY 41339

BEULAH HALCOMB  
1747 LICK BRANCH RD  
JACKSON, KY 41339

CATHERINE WATKINS  
BOX 188  
JACKSON, KY 41339

JAMES JOHNSON  
BOX 284  
JACKSON, KY 41339

MARY J. & GROVER JOHNSON  
1686 LICK BRANCH RD  
JACKSON, KY 41339

RENEE & LLOYD ROBERTS  
P O BOX 300, KINGS BRANCH RD.  
JACKSON, KY 41339

EAST KENTUCKY NETWORK  
POST OFFICE BOX 405  
PRESTONSBURG, KY 41653  
PHONE: (606)886-6007  
FAX: (606)886-0206  
MAIL: INFO@EKN.COM  
WEBSITE: EKN.COM

EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

August 2, 2005

Freddie Terry  
1935 Lick Branch Rd.  
Jackson, KY 41339

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00188)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 250 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be located on a ridge in Breathitt County near Jackson, Kentucky. (37-32-26.0 N / 83-23-29.0 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2005-00188 in your correspondence.

Sincerely,

Janice Robinson  
Technical Site Coordinator  
Appalachian Wireless

enclosure

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EAST KENTUCKY  
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VIA: U.S. CERTIFIED MAIL

August 2, 2005

Darrell Halcomb & Kim Vires  
77 Oaks Lane.  
Jackson, KY 41339

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VIA: U.S. CERTIFIED MAIL

August 2, 2005

Debra & George Oaks  
1755 Lick Branch Road  
Jackson, KY 41339

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Arthur & Louise Oaks  
1751 Lick Branch Rd  
Jackson, KY 41339

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VIA: U.S. CERTIFIED MAIL

August 2, 2005

Beulah Halcomb  
1747 Lick Branch Rd  
Jackson, KY 41339

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VIA: U.S. CERTIFIED MAIL

August 2, 2005

Catherine Watkins  
Box 188  
Jackson, KY 41339

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EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

August 2, 2005

James Johnson  
Box 284  
Jackson, KY 41339

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EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

August 2, 2005

Mary J. & Grover Johnson  
1686 Lick Branch Rd  
Jackson, KY 41339

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EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

August 2, 2005

Renee & Lloyd Roberts  
P O Box 300, Kings Branch Rd  
Jackson, KY 41339

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Janice Robinson  
Technical Site Coordinator  
Appalachian Wireless

enclosure



**WENDELL R. HOLMES, P.G.**  
139 Wabaco Circle Road  
Hazard, KY 41701  
(606) 435-8100

December 20, 2004

Jackson Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Breathitt County near Jackson, Kentucky. The site of the proposed tower is now forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

Site Investigation:

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar 416D Backhoe was used to expose the bedrock material. It is approximately 0.25 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.)

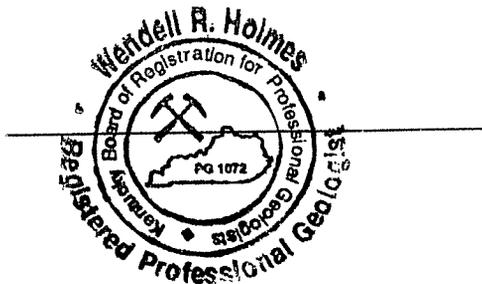
The terrain in Breathitt County is moderately to very steep. The tower site is located on a High Knob between Lick Branch and Town Branch of Cane Creek, both being tributaries of the North Fork of the Kentucky River, approximately one mile southwest of Jackson in Breathitt County. The sandstone formation below the tower site is approximately 30.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

Conclusions:

The proposed tower site is located on a ridge in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. Holmes, P.G.



**WENDELL R. HOLMES, P.G.**

**139 Wabaco Circle Road  
Hazard, Ky. 41701**

**Geologist Log**

Location: Jackson Tower Site

<b>Unit Thickness</b>	<b>Total depth</b>	<b>Strata</b>	<b>Description</b>
0.25'	0.25'	Soil	Yellow and Brown, with Shale and Sandstone Fragments
7.50'	7.75'	Sandstone	Brown and Weathered
1.00'	8.75'	Sandstone w/ Shale	Brown and Gray
21.25'	30.00'	Sandstone	Brown and Gray





Federal Aviation Administration  
Southern Regional Office  
1701 Columbia Avenue-ASO-520  
College Park, GA 30337

Aeronautical Study No.  
2004-ASO-6542-OE

Issued Date: 1/26/2005

LEROY A (ART) ADAM  
EAST KY NETWORK LLC C/O LUKAS NACE GUTIERREZ & SAC  
1650 TYSONS BLVD SUITE 1500  
MCLEAN, VA 22102

**\*\* DETERMINATION OF NO HAZARD TO AIR NAVIGATION \*\***

The Federal Aviation Administration has completed an aeronautical study under the provisions of 49 U.S.C., Section 44718 and, if applicable, Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure Type: Antenna Tower  
Location: JACKSON, KY  
Latitude: 37-32-26.31 NAD 83  
Longitude: 83-23-28.65  
Heights: 325 feet above ground level (AGL)  
1775 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

As a condition to this Determination, the structure should be marked and/or lighted in accordance with FAA Advisory Circular 70/7460-1 AC 70/7460-1K Change 1, Obstruction Marking and Lighting, a med-dual system - Chapters 4,8(M-Dual), &12.

It is required that the enclosed FAA Form 7460-2, Notice of Actual Construction or Alteration, be completed and returned to this office any time the project is abandoned or:

\_\_\_ At least 10 days prior to start of construction  
(7460-2, Part I)

X  Within 5 days after the construction reaches its greatest height  
(7460-2, Part II)

As a result of this structure being critical to flight safety, it is required that the FAA be kept apprised as to the status of the project. Failure to respond to periodic FAA inquiries could invalidate this determination.

This determination expires on 7/26/2006 unless:

- (a) extended, revised or terminated by the issuing office.
- (b) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE POSTMARKED OR DELIVERED TO THIS OFFICE AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE.

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights, and frequencies or use of greater power will void this determination. Any future construction or alteration, including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

A copy of this determination will be forwarded to the Federal Communications Commission if the structure is subject to their licensing authority.

If we can be of further assistance, please contact our office at (404)305-5589. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2004-ASO-6542-OE.

**Signature Control No: 404809-340955**

**(DNE)**

Cesar I Perez  
Specialist

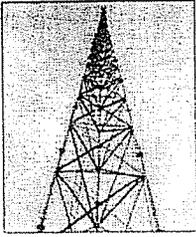
Attachment(s)  
Frequency Data

7460-2 Attached

Frequency Data for ASN 4001

LOW FREQUENCY	HIGH FREQUENCY	FREQUENCY UNIT	ERP	ERP UNIT
880	890	MHz	.2	KW





**ALLSTATE TOWER INCORPORATED**

P.O. Box 25 ♦ Henderson, KY 42419 ♦ Tel. (270) 533-6000 ♦ Email – sales@allstatetower.com  
6541 Cairo-Dixie Rd. ♦ Corydon, KY 42406 ♦ Fax (270) 533-6888 ♦ Emergency (270) 748-1366

Paint ♦ Repair ♦ Inspection ♦ Plumb and Tension ♦ Re-Guy ♦ Lighting ♦ Antenna Feedline

**Engineered Tower and Foundation Drawings**

**for the**

**250' Self-Supporting Tower**

**at the**

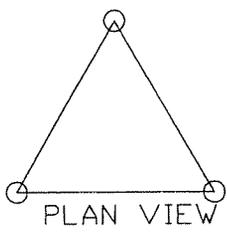
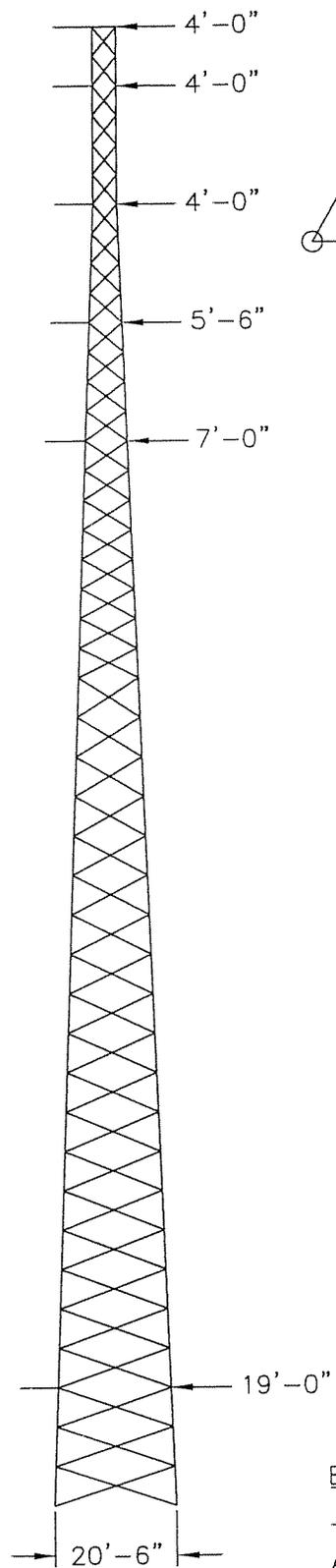
**Jackson Site**

**Breathitt County, KY**

**For: Appalachian Wireless**  
**Prepared By: Aaron Thornhill**  
**Date: 01/18/2005**

SECTION	T13	T12	T11	T10	T9	T8	T7	T6	T5	T4	T3	T1
LEG DIA.	4 1/4"	4"	4"	3 3/4"	3 1/4"	3 1/2"	3 1/4"	3"	3"	2 3/4"	2 1/2"	2 1/4"
DIAGONALS	A	B	C	2" x 2" x 1/4"	2" x 2" x 1/4"	D	E	F	1 3/4" x 1 3/4" x 3/16"	1 3/4" x 1 3/4" x 3/16"	2 1/4" x 1 3/4" x 3/16"	1 3/4"
GIRTS												C
BRACE BOLTS	7/8"					3/4"						5/8"
FLANGE BOLTS		1 1/4"				1"				3/4"		
# OF BAYS			3				4					

250'  
240'  
220'  
200'  
180'  
160'  
140'  
120'  
100'  
80'  
60'  
40'  
20'  
0'



SECTION NOTES:

- A = L 3 1/2" x 3 1/2" x 1/4"
- B = L 3" x 3" x 1/4"
- C = L 3" x 3" x 3/16"
- D = L 2 1/2" x 2 1/2" x 3/16"
- E = L 2" x 2" x 1/4"
- F = L 2" x 2" x 3/16"

ELEV.	ANTENNAS	FEEDLINES
250'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"
230'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"
210'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"

--W.G. SUPPORTS ARE OVER 2 TOWER FACES  
 --TOTAL LINES = 39; MAX. 12 EXPOSED TO THE WIND PER FACE  
 --STEP BOLTS WITH SAFETY DEVICE

BASE REACTIONS:

TOTAL SHEAR = 44 KIPS  
 AXIAL LOAD = 69 KIPS  
 UPLIFT / LEG = 296 KIPS  
 COMP. / LEG = 372 KIPS  
 O.T. MOMENT = 6191 FT-K



DESIGN NOTES:

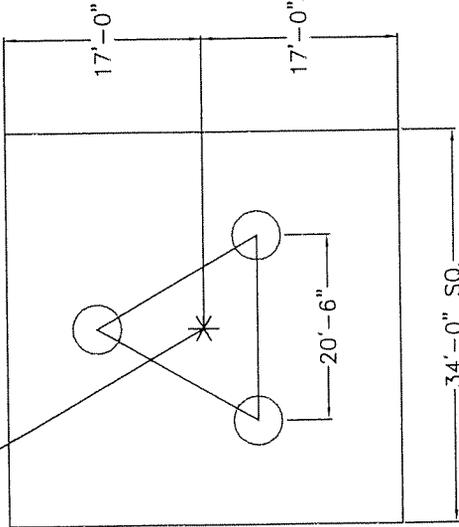
- 1) ALL LEGS ARE 50 KSI
- 2) ALL BRACES ARE 36 KSI
- 3) ALL BRACE AND SPLICE BOLTS ARE A325-X
- 4) ESTIMATED STEEL WT. OF TOWER - 36 KIPS
- 5) USE (8) 1.50" DIA. x 6'-0" LONG (OVERALL) ANCHOR BOLTS (A36) WITH 21" O.D. DA. x 2.25" THK. (A36) BASE PLATE PER LEG WITH A 14.75" DIA. BOLT CIRCLE WITH (8) 3.5" x 6" x 5/8" STIFFENERS WITH 1/2" WELD

NOTES:  
 1. TOWER IS DESIGNED AT 70 MPH WIND + 0.5" RADIAL ICE (WITH REDUCTION) PER TIA/EIA-222-F --1996 STANDARD.

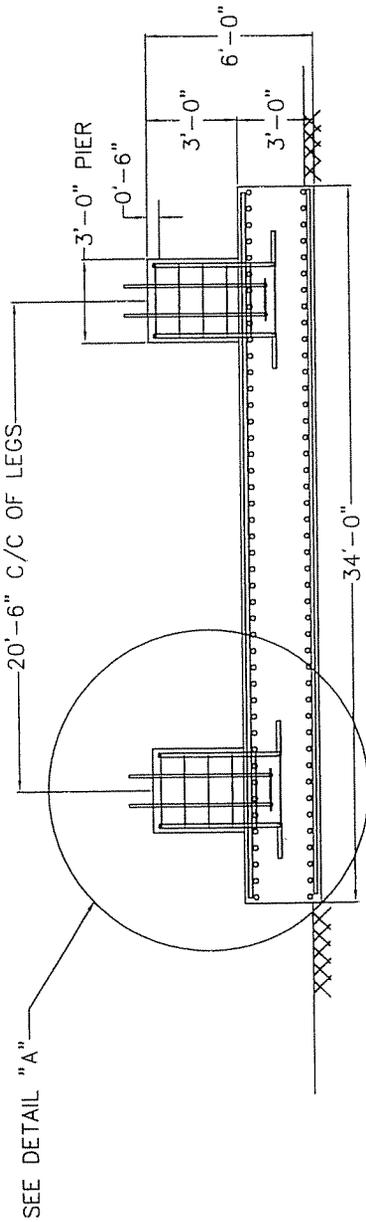
**ALLSTATE TOWER INC.**  
 P.O. BOX 25  
 HENDERSON, KENTUCKY 42419  
 PHONE: (270) 533-6000  
 FAX: (270) 533-6888

SCALE: N.T.S.		PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.	
TOLERANCE BANDS ALL DIMENSIONS ARE ±1/16" ALL ANGULAR DIM ARE ±1/2° UNLESS OTHERWISE NOTED		APPALACHIAN WIRELESS 250' SELF-SUPPORTING TOWER BREATHITT COUNTY, KY JACKSON TOWER SITE, KY	
APPROX. WEIGHT SUBJECT TO CHANGE	X LBS.	FILE NAME: A-40131	DRAWN BY: CADD STAFF DATE: 01/19/05 REV: REV. DATE: JOB NO. A40131 SHEET A

CENTER OF TOWER AND FOUNDATION



PLAN VIEW



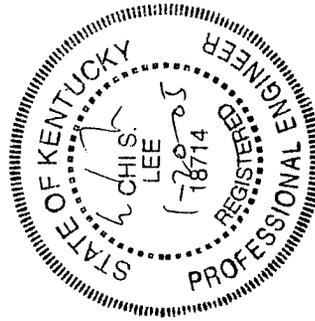
ELEVATION VIEW  
MAT & PIER

(6) 1.50" DIA. ANCHOR BOLTS  
x 6'-0" OVERALL LENGTH  
w/ 3/4" THK BEARING PLATE AT  
THE BOTTOM OF THE ANCHOR BOLTS  
(MIN. EMBED. LENGTH = 5')

(9) #8 VERTICAL L-SHAPED BENT  
BARS w/ #4 TIES AT 12" O.C.  
FOR ENTIRE LENGTH  
USE 3'-0" LONG 90° HOOK  
FOR EACH #8 V-BAR.  
(TOTAL LENGTH OF EACH  
RE-BAR IN PIER = 7'-9")

(34) #9 HORIZONTAL BARS X 33'-6" LONG  
EQUALLY SPACED EACH WAY AT TOP  
AND BOTTOM OF MAT. (TOTAL OF 136)

DETAIL "A"



NOTES:

- TOTAL VOLUME OF CONCRETE 130.8 C.Y.
- FOUNDATION DESIGN IS BASED ON SOIL BORINGS LOGGED BY WENDELL R. HOMES, P.G. DATED DECEMBER 20, 2004
- USE (6) 1.50" DIA. A36 ANCHOR BOLTS.
- REBARS PER ASTM A615 GR. 60
- ULTIMATE CONCRETE STRENGTH = 3000 PSI
- MIN. COVER OF CONCRETE = 3"

<p><b>ALLSTATE TOWER INC.</b> PO BOX 25 HENDERSON, KY 42419 PHONE: (270) 533-6000 FAX: (270) 533-6888</p> <p>PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ATL. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER INC.</p>		DESIGNED BY: A. THORNHILL	DATE: 01/18/2005	JOB NO.	SHEET B
		MAT AND PIER FOUNDATION APPALACHIAN WIRELESS 250' SELF SUPPORTING TOWER JACKSON TOWER SITE BREATHITT COUNTY, KY			
TOLERANCE BANDS ARE AS FOLLOWS-	ALL DIMENSIONS ARE ±1/16"	ALL ANGULAR DIM ARE ±1/2° UNLESS OTHERWISE NOTED	REF. JOB #:		





**Kentucky Airport Zoning Commission**  
**200 Mero Street**  
**Frankfort, KY 40622**

(502) 564-4480  
fax: (502) 564-7953  
No.: AS-013-JKL-04-223

January 31, 2005

APPROVAL OF APPLICATION

APPLICANT:

East Kentucky Network, LLC  
Leroy A. Adam, Senior Engineer  
C/O Lukas, Nace, Gutierrez, & Sachs, Chartered  
1650 Tyson Blvd., Suite 1500  
MCLEAN, VA 22102

SUBJECT: AS-013-JKL-04-223

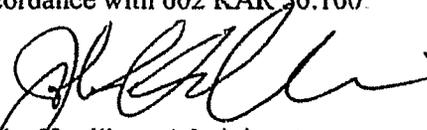
STRUCTURE: Antenna Tower  
LOCATION: Jackson, KY  
COORDINATES: 37-32-26.0 N / 83-23-29.0 W  
HEIGHT: 325'AGL/1775'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 325'AGL/1775'AMSL Antenna Tower near Jackson, KY 37-32-26.0 N / 83-23-29.0 W.

This permit is valid for a period of 18 Month(s) from its date of issuance. If construction is not completed within said 18-Month period, this permit shall lapse and be void, and no work shall be performed without the issuance of a new permit.

A copy of the approved application is enclosed for your files.

Dual obstruction lighting is required in accordance with 602 KAR 50:100.

  
John Houlihan, Administrator

Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission, 125 Holmes Street, Frankfort KY 40622

Kentucky Aeronautical Study Number

APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER A STRUCTURE

AS-013-JKL-04-22

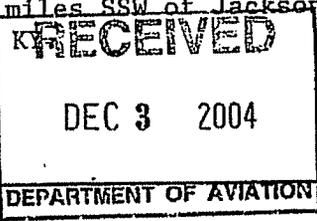
1. APPLICANT - Name, Address, Telephone, Fax, etc.
East Kentucky Network, LLC
c/o Lukas, Nace, Gutierrez & Sachs, Chtrd.
1650 Tysons Blvd., Suite 1500
McLean, VA 22102
T: 703-584-8669

2. Representative of Applicant - Name, Address, Telephone, Fax
LeRoy A. Adam
Lukas, Nace, Gutierrez & Sachs, Chartered
1650 Tysons Blvd., Suite 1500
McLean, VA 22102
T: 703-584-8669

3. Application for: [X] New Construction [ ] Alteration [ ] Existing
4. Duration: [X] Permanent [ ] Temporary (Months \_\_\_\_\_ Days \_\_\_\_\_)
5. Work Schedule: Start 01/03/05 End 01/14/05
6. Type: [X] Antenna Tower [ ] Crane [ ] Building [ ] Power Line
[ ] Landfill [ ] Water Tank [ ] Other \_\_\_\_\_
7. Marking/Painting and/or Lighting Preferred:
Red Lights and Paint [X] Dual - Red & Medium Intensity White
[ ] White - Medium Intensity [ ] Dual - Red & High Intensity White
[ ] White - High Intensity [ ] Other \_\_\_\_\_
8. FAA Aeronautical Study Number TBD

9. Latitude: 37 ° 32 ' 26.0 "
10. Longitude: 83 ° 23 ' 29.0 "
11. Datum: [ ] NAD 83 [X] NAD 27 [ ] Other \_\_\_\_\_
12. Nearest Kentucky City Jackson County: Breathitt
13. Nearest Kentucky public use or Military airport:
Julian Carroll Airport ("JKL")
14. Distance from #13 to Structure: 5.5 miles
15. Direction from #13 to Structure: SW
16. Site Elevation (AMSL): 1450 Feet
17. Total Structure Height (AGL): 325 Feet
18. Overall Height (#16 + #17) (AMSL): 1775 Feet
19. Previous FAA and/or Kentucky Aeronautical Study Number(s):
N/A
20. Description of Location: (Attach a USGS 7.5 minute Quadrangle Map or an Airport Layout Drawing with the precise site marked and any certified survey)

Site is 1.0 miles SSW of Jackson (Breathitt), KY



21. Description of Proposal:
The tower to be constructed is a communication tower which consists of a 300-foot guyed support structure plus a 25-foot antenna/lightning rod for operation of a Band B Cellular base station. The antenna system is omni-directional (beamwidth 360°) with the maximum ERP in any direction of 200 Watts.

22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? [ ] No [X] Yes, When 11/29/04

CERTIFICATION: I hereby certify that all the above statements made by me are true, complete and correct to the best of my knowledge and belief.
LeRoy A. Adam [Signature] 11/29/04
Printed Name Signature Date

PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050: Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties.

Commission Action: [ ] Chairman, KAZC [X] Administrator, KAZC
[X] Approved [ ] Disapproved
[Signature] JOHN HOUWLIHAN Date 1-31-05



**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**FINANCIAL REPORT**

**December 31, 2004**

## INDEPENDENT AUDITOR'S REPORT

To the Members  
East Kentucky Network, LLC  
dba Appalachian Wireless  
Prestonsburg, Kentucky 41653

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Jones, Nale & Mattingly P.C.*

Louisville, Kentucky  
February 18, 2005

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**BALANCE SHEETS  
December 31, 2004 and 2003**

ASSETS	<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,115,534	\$ 2,781,029
Short-term investments	100,000	2,617,468
Accounts receivable, less allowance for doubtful accounts of \$378,680 in 2004 and \$280,280 in 2003	1,481,900	1,205,561
Accounts receivable, members (Notes 6 and 7)	54,397	77,710
Inventory	826,636	419,855
Prepaid expenses	148,558	107,325
Total current assets	<u>\$ 4,727,025</u>	<u>\$ 7,208,948</u>
 <b>PROPERTY, PLANT AND EQUIPMENT (Note 4)</b>		
Plant in service:		
General support	\$ 7,536,872	\$ 7,021,978
MTSO equipment	10,925,458	6,265,231
Cell equipment	31,817,505	25,509,791
Paging equipment	3,309,174	3,300,441
Fiber ring	4,484,626	3,987,691
Unfinished plant	1,708,762	1,520,311
	<u>\$ 59,782,397</u>	<u>\$ 47,605,451</u>
Less accumulated depreciation	23,457,869	19,301,481
	<u>\$ 36,324,528</u>	<u>\$ 28,303,970</u>
 <b>OTHER ASSETS</b>		
Investment in affiliated company, RTFC (Note 4)	\$ 873,368	\$ 867,741
Intangible assets, net of accumulated amortization of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2)	4,762,678	5,159,901
Goodwill	787,286	787,286
Other	29,788	30,901
	<u>\$ 6,453,120</u>	<u>\$ 6,845,909</u>
	<u>\$ 47,504,673</u>	<u>\$ 42,358,879</u>

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND MEMBERS' EQUITY

	<u>2004</u>	<u>2003</u>
<b>CURRENT LIABILITIES</b>		
Notes payable (Note 3)	\$ 400,000	\$ 2,200,000
Current maturities of long-term debt (Note 4)	847,380	798,055
Accounts payable	1,142,766	662,323
Accounts payable, member (Notes 6 and 7)	604	6,178
Accrued expenses	1,174,425	780,509
Customer deposits	<u>152,350</u>	<u>164,192</u>
Total current liabilities	\$ 3,717,525	\$ 4,611,257
LONG-TERM DEBT, less current maturities (Note 4)	9,880,604	7,408,929
MEMBERS' EQUITY	33,906,544	30,338,641
	<u>\$ 47,504,673</u>	<u>\$ 42,358,827</u>

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF INCOME  
Years Ended December 31, 2004 and 2003**

	2004	2003
<b>REVENUE</b>		
Retail	\$ 18,777,436	\$ 16,436,390
Roamer	4,693,531	3,784,721
Long distance	168,585	178,971
Paging	1,282,952	1,606,370
Equipment sales, cellular	1,571,027	1,365,233
Equipment sales, paging	79,573	87,928
Other	2,308,826	1,908,727
Total revenue	\$ 28,881,930	\$ 25,368,340
 <b>EXPENSES</b>		
Cost of cellular service	\$ 7,155,982	\$ 7,019,191
Cost of paging service	589,260	629,904
Cost of equipment sales, cellular	3,202,000	2,256,150
Cost of equipment sales, paging	101,331	140,398
Customer service	1,004,290	950,566
Billing	1,100,361	1,016,679
Selling	1,598,369	1,337,980
Maintenance	873,613	705,705
Utilities	306,593	303,426
Bad debts	698,471	937,244
Cell site rental	120,866	127,313
Taxes	243,180	241,575
Advertising	688,001	470,732
General and administrative	1,868,518	1,473,026
Occupancy	452,041	253,738
Depreciation	4,084,043	3,481,218
Amortization	507,010	609,215
Total expenses	\$ 24,593,929	\$ 21,954,060
Income from operations	\$ 4,288,001	\$ 3,414,280
 <b>OTHER INCOME (EXPENSE)</b>		
Interest income	\$ 29,556	\$ 38,725
Interest expense	(574,654)	(591,177)
	\$ (545,098)	\$ (552,452)
Net income	\$ 3,742,903	\$ 2,861,828

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF MEMBERS' EQUITY  
Years Ended December 31, 2004 and 2003**

	Cellular Services, Inc.	Gearhart Communi- cations Company, Inc.	Mountain Tele- communi- cations, Inc.	Thacker- Grigsby Telephone Co., Inc.	Peoples Rural Telephone Coop- erative Corp- oration, Inc.	Total
Balance, January 1, 2003	\$ 4,995,363	\$ 4,995,362	\$ 4,995,362	\$ 4,995,363	\$ 4,995,363	\$24,976,813
Net income	572,366	572,366	572,366	572,365	572,365	2,861,828
Capital contributions	500,000	500,000	500,000	500,000	500,000	2,500,000
Balance, December 31, 2003	<u>\$ 6,067,729</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$30,338,641</u>
Net income	748,580	748,581	748,581	748,581	748,580	3,742,903
Capital distributions	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(175,000)
Balance, December 31, 2004	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,308</u></u>	<u><u>\$33,906,544</u></u>

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2004 and 2003**

	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 3,742,903	\$ 2,861,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,084,043	3,481,218
Amortization	507,010	609,215
Changes in assets and liabilities, net of the effects of investing and financing activities:		
(Increase) decrease in accounts receivable	(276,339)	261,472
(Increase) decrease in accounts receivable, members	23,313	(77,710)
(Increase) decrease in inventory	(406,781)	437,460
(Increase) in prepaid expenses	(41,233)	(20,127)
Decrease in other assets	1,121	1,119
Increase in accounts payable	480,443	22,942
(Decrease) in accounts payable, member	(5,574)	(45,077)
Increase in accrued expenses	393,916	107,040
Increase (decrease) in customer deposits	(11,842)	47,660
Net cash provided by operating activities	\$ 8,490,980	\$ 7,687,040
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	\$ (12,214,324)	\$ (4,933,301)
Proceeds from sale of short-term investments	2,517,468	--
Purchase of short-term investments	--	(2,517,468)
Purchase of RTFC equity certificates	(5,619)	(3,352)
Net cash (used in) investing activities	\$ (9,702,475)	\$ (7,454,121)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from capital contributions	\$ --	\$ 2,500,000
Capital distributions	(175,000)	--
Net borrowings (payments) on notes payable	1,500,000	(500,000)
Payments on long-term borrowings	(779,000)	(728,750)
Net cash provided by financing activities	\$ 546,000	\$ 1,271,250
Net increase (decrease) in cash and cash equivalents	\$ (665,495)	\$ 1,504,169
Cash and cash equivalents:		
Beginning	2,781,029	1,276,860
Ending	\$ 2,115,534	\$ 2,781,029
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	\$ 619,257	\$ 531,577

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Nature of operations

East Kentucky Network, LLC, dba Appalachian Wireless, is a Kentucky limited liability company formed by the merger of Appalachian Cellular, LLC, Mountaineer Cellular, LLC and East Kentucky Network, LLC on January 1, 2000. The Company is engaged in cellular telephone communications and paging services to residential and commercial customers located in eastern Kentucky. The Company's five members consist of Cellular Services, Inc.; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

Cash

The Company maintains its cash balances, which exceed the \$100,000 federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

Cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having a maturity of three months or less to be cash equivalents.

Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, which approximates fair value, and are held to maturity.

Inventory

Inventory is composed of cellular telephone equipment, paging equipment, and accessories purchased for resale during the ordinary course of business. The inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Investment

The investment in affiliated company is composed of equity certificates in Rural Telephone Finance Cooperative and is reported at cost, which approximates fair value.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

#### Intangible assets

The customer lists, non-compete agreements, FCC licenses, and use of name are recorded at cost and are being amortized over 15 years by the straight-line method. The excess cost over the fair value of the net assets acquired (goodwill) related to paging acquisitions is measured for impairment on an annual basis, and written down, if necessary, to its estimated value at that time.

#### Recognition of revenue

Cellular service and paging revenues are recognized when earned. Monthly access and feature charges are billed one month in advance and recognized as revenue the following month. Revenue from telephone and accessories sold are recognized as revenue upon delivery to the customer.

#### Advertising

Advertising costs are expensed as incurred. At December 31, 2004 and 2003, these costs were \$688,001 and \$470,732, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for income tax has been provided for in the accompanying financial statements.

#### Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

#### Reclassification

Certain amounts presented in the prior year have been restated to conform with the current year presentation.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2004:

	Gross Amount	Accumulated Amortization
Customer lists	\$ 5,363,530	\$ (1,438,317)
Non-compete agreements	220,348	(92,218)
FCC licenses	841,593	(198,350)
Use of name	10,000	(3,001)
Other	68,879	(9,786)
	\$ 6,504,350	\$ (1,741,672)

Intangible assets consist of the following at December 31, 2003:

	Gross Amount	Accumulated Amortization
Customer lists	\$ 5,363,530	\$ (1,080,021)
Non-compete agreements	220,348	(77,498)
FCC licenses	841,593	(132,073)
Use of name	10,000	(2,333)
Other	25,839	(9,422)
	\$ 6,461,310	\$ (1,301,347)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2004 and 2003 totaled \$440,325 and \$547,652, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

Year ending December 31:

2005	\$ 500,000
2006	500,000
2007	500,000
2008	500,000
2009	500,000

\$ 2,473,851      \$ 9,853,601

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Notes Payable

Notes payable consist of the following:

	December 31,	
	2004	2003
RTFC, Line of Credit (a)	\$ --	\$ 1,800,000
Cumberland Mountain Paging (b)	400,000	400,000
Total	\$ 400,000	\$ 2,200,000

(a) The Company has a line of credit agreement with Rural Telephone Finance Cooperative (RTFC) that provides for borrowings up to \$5,000,000. The outstanding balance at December 31, 2004 and 2003 was \$3,300,000 and \$1,800,000, respectively. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 4).

(b) The Company issued two promissory notes in connection with the acquisition of certain paging assets. Both notes were due in one year with interest at a rate of 4%. The remaining note with a balance of \$400,000 is currently due, but the Company is negotiating the amount based upon the purchased customer lists.

### Note 4. Long-Term Debt

Long-term debt as of December 31, 2004 and 2003 consists of the following:

	December 31, 2004		
	Balance	Current	Long-Term
Notes payable, RTFC:			
Dated 11/13/97, variable rate (6.15% at 12/31/04)	\$ 218,285	\$ 22,714	\$ 195,571
Dated 11/13/97, variable rate (6.15% at 12/31/04)	999,575	104,012	895,563
Dated 11/13/97, fixed rate (7.20% at 12/31/04)	813,493	81,476	732,017
Dated 12/31/98, fixed rate (7.25% at 12/31/04)	677,532	55,516	622,016
Dated 02/13/01, variable rate (5.85% at 12/31/04)	861,950	80,750	781,200
Dated 02/13/01, variable rate (5.85% at 12/31/04)	1,011,829	94,791	917,038
Dated 07/27/01, variable rate (5.85% at 12/31/04)	2,845,311	408,121	2,437,190
Line of credit, variable rate (6.40% at 12/31/04)	3,300,000	--	3,300,000
	\$10,727,984	\$ 847,380	\$ 9,880,604

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Long-Term Debt (Continued)

	December 31, 2003		
	Balance	Current	Long-Term
Notes payable, RTFC:			
Dated 11/13/97, variable rate (4.40% at 12/31/03)	\$ 240,199	\$ 20,054	\$ 220,145
Dated 11/13/97, variable rate (4.40% at 12/31/03)	1,093,351	95,994	997,357
Dated 11/13/97, fixed rate (7.20% at 12/31/03)	893,978	73,946	820,032
Dated 12/31/98, fixed rate (7.25% at 12/31/03)	733,212	52,230	680,982
Dated 02/13/01, variable rate (4.20% at 12/31/03)	932,054	76,974	855,080
Dated 02/13/01, variable rate (4.20% at 12/31/03)	1,094,112	90,358	1,003,754
Dated 07/27/01, variable rate (4.20% at 12/31/03)	3,220,078	388,499	2,831,579
	\$ 8,206,984	\$ 798,055	\$ 7,408,929

The notes payable to Rural Telephone Finance Cooperative (RTFC) are secured by mortgage and security agreements that include substantially all of the assets of the Company. In addition, the Company is required to purchase equity certificates in RTFC equal to 5% of the total amounts borrowed. The notes are payable in quarterly installments over 15 years with interest at variable or fixed rates set by RTFC.

The line of credit agreement with RTFC provides for borrowings up to \$5,000,000. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 3).

Approximate maturities or payments required on principal under note payable agreements for each of the succeeding five years are as follows:

Year ending December 31:	
2005	\$ 847,380
2006	4,200,418
2007	956,799
2008	1,016,735
2009	1,080,451

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Retirement Plans

The Company has a 401(k) plan for qualifying employees who have reached twenty-one years of age. Eligible employees are allowed to invest up to 15% of their compensation and the Company has agreed to match 100% of the first 3% of the employees' contribution and 50% of the employees' contribution between 3% and 5%. The Company contributed \$58,929 and \$59,472 matching funds for its 401(k) plan during the years ended December 31, 2004 and 2003, respectively.

The Company also offers an employer sponsored retirement savings plan for qualified employees who have reached twenty-one years of age. The Company has agreed to contribute 9% of the eligible employee's compensation, plus an additional 5% of the original contribution. The Company contributed \$214,464 and \$205,832 to its retirement savings plan during the years ended December 31, 2004 and 2003, respectively.

### Note 6. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$111,438 and \$126,331 for shared personnel during the years ended December 31, 2004 and 2003 respectively. The Company also leased offices and warehouse space from two members. The leases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. In addition, the Company incurred interconnection charges from its members aggregating \$812,794 and \$765,004 for the years ended December 31, 2004 and 2003, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member for \$100 per month for each site. The leases are for an unspecified length of time. In addition, the Company leases two other sites from a company owned by this member for \$600 each on a month to month basis.

The Company leases cellular tower sites from the parent company of one of its other members for \$1,039 per month. The leases are for five years with options to renew.

### Note 7. Operating Leases

The Company has entered into operating leases with its members and other customers to provide fiber optic transmission capacity and ancillary services. The terms of these leases are for 15 years.

Total rental income earned from these operating lease commitments included in the statements of income were \$1,442,016 and \$1,157,527 for the years ended December 31, 2004 and 2003, respectively. Rental income earned from the Company's members from these leases was \$1,132,545 and \$858,714 for the years ended December 31, 2004 and 2003, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Operating Leases (Continued)

Investments in operating leases are as follows at December 31:

	2004	2003
Fiber ring	4,484,626	3,987,697
Accumulated depreciation	(563,677)	(355,090)
	\$ 3,920,949	\$ 3,632,607

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$700,000 each year based upon new contracts negotiated during 2005.

The Company has also entered into lease agreements with its members to obtain fiber optic transmission and digital microwave transmission services. The terms of these leases are for 15 years.

Rental expenses incurred under these operating lease commitments included in the statements of income were \$54,420 and \$247,095 for the years ended December 31, 2004 and 2003, respectively.

The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.



## Directions to Site in Jackson Ky.

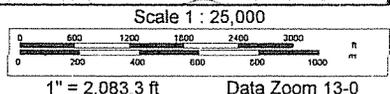
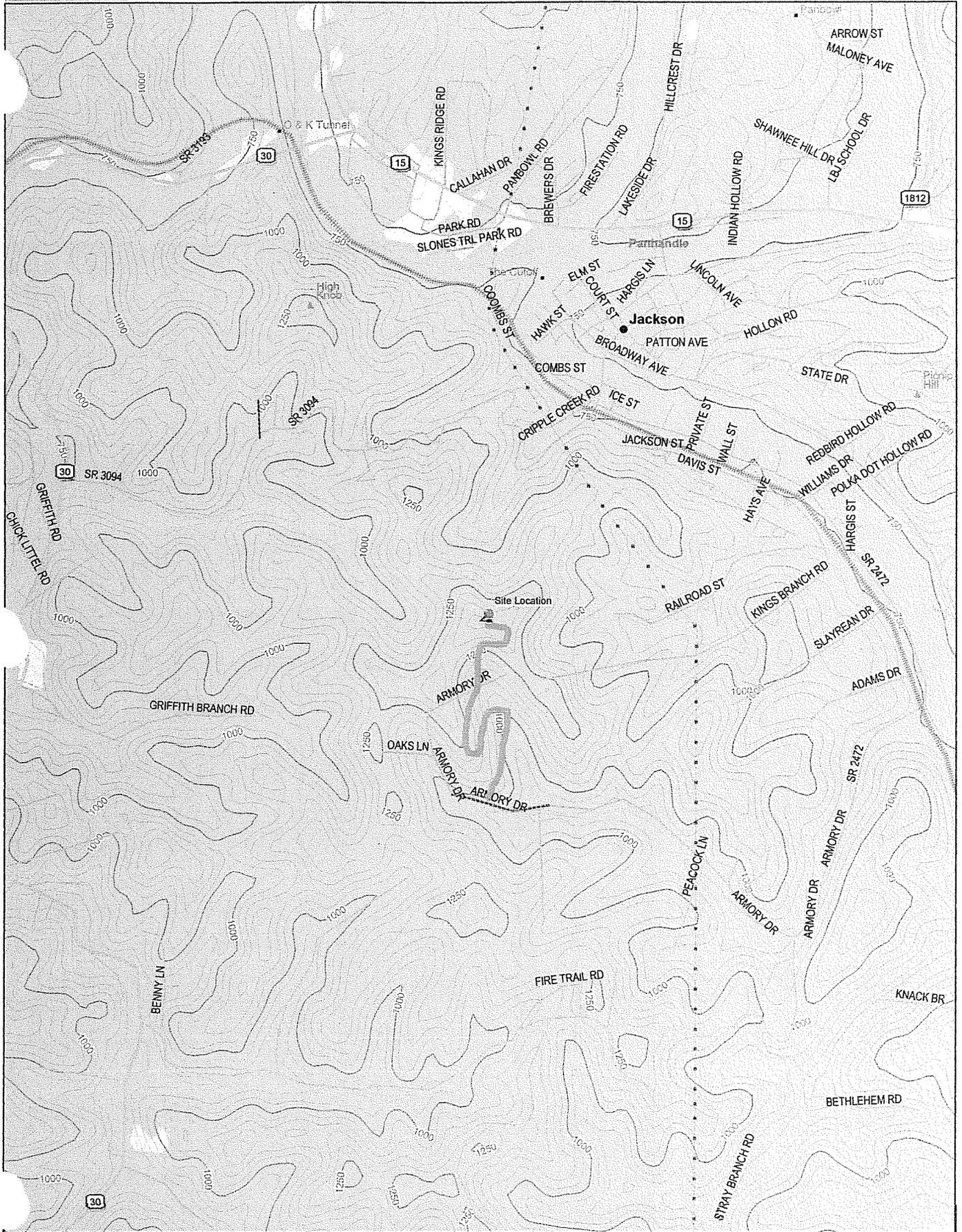
Starting from the court house in Jackson Ky. Go .1 miles to Broadway. Turn left onto Broadway and go .1 miles to the jct. with 2472. Turn right onto 2472 and go 1.6 miles. 2472 turns into Lick Br. Rd. Go 1.9 miles to where new gravel road turns up the hill continue up the hill another .7 miles to the site

**These directions were written by**

**Marty Thacker**

**Appalachian Wireless**

**606-634-9505**



RECEIVED

1999 DEC 10 AM 8 32

DEED AND EASEMENT

BREATHITT COUNTY CLERK

This Deed and Easement is made and entered into this 23<sup>RD</sup> day of NOVEMBER, 1999, by and between CURTIS RAY OAKS and his wife, MARRIETTA OAKS, residents of 1760 Lick Branch Road, Jackson, Kentucky 41339, parties of the first part (hereinafter "Grantors"), and MOUNTAINEER CELLULAR LLC, with offices located at P.O. Box 1148, Hindman, Kentucky 41822, party of the second part (hereinafter "Grantee"),

WITNESSETH:

That said Grantors, for and in consideration of the sum of FIVE THOUSAND DOLLARS (\$5,000.00), of which One Hundred Dollars (\$100.00) was previously paid as an option, the remainder being paid upon the execution hereof, the receipt and adequacy of all of which is hereby acknowledged, have bargained and sold and by these presents do hereby bargain, sell, grant and convey unto Grantee, its successors and assigns forever, a tract of land lying and being in Breathitt County, Kentucky, and more particularly described as follows:

Lying and being in Breathitt County, Kentucky, on Lick Branch of the North Fork of the Kentucky River, in the head of Mike Conner Hollow, and more particularly bounded and described as follows, to-wit:

Beginning on a #4 rebar on top of the knob, Latitude 37° 32' 26" and Longitude 83° 23' 29", in the head of Mike Conner Hollow, and the head of Town Branch, and the head of Cripple Creek, said point being approximately SE 14°

30', 8000 feet from the intersection of State Route 52 and Route 15, and approximately SE 72° 30', 7050 feet from the intersection of State Route 52 and Route 30, said point also being a corner to J.L. Shouse and Russell C. Reynolds (heirs); thence along the center of the ridge with said heirs line SE 85° 22' 00", 59.46 feet to a #4 rebar and the line of Curtis and Marrietta Oaks; thence down the hill with said Oaks' line SE 09° 00' 12", 58.65 feet to a #4 rebar at the base of a 24 inch diameter white oak marked with three hacks; thence SE 09° 00' 12", 20.00 feet to a #4 rebar; thence around the side of the hill SW 79° 49' 50", 110.61 feet to a #4 rebar; thence up the hill NW 12° 03' 22", 20.00 feet to a #4 rebar at the base of a 20 inch diameter chestnut oak marked with three hacks; thence NW 12° 03' 22", 59.09 feet to a #4 rebar in the center of the ridge and the line of J.L. Shouse; thence with Shouse's line along the center of the ridge NE 65° 22' 23", 59.20 feet to the beginning, containing 9746.7 square feet or 0.22 acres.

SOURCE OF TITLE: Being a part of the same property conveyed to the Grantors by deed from Bill Mullins dated JAN. 12, 1976 and recorded at Deed Book 130, page 177 in the Breathitt County Clerk's Office.

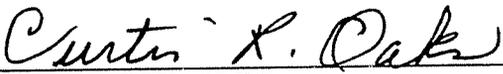
EASEMENT: For the consideration paid herein, Grantors further grant and convey unto Grantee, its successors and assigns, a construction easement on the Grantors' property as described in Deed Book 130, page 177 in the Breathitt County Clerk's Office, said construction easement to be located immediately adjacent to the property conveyed to the Grantee herein. Grantee is given the right (a) to use, widen and gravel the existing road located above the Grantors'

house and running back to the steep grade; (b) to construct a new road running from the steep grade to the property conveyed herein; and, (c) to construct a pond and a wildlife area. The locations of the new road, pond and wildlife area are subject to the approval of the Grantors. The Grantee agrees to save any merchantable trees cut during the construction for the Grantors, and further, to reclaim and reseed all disturbed areas.

TO HAVE AND TO HOLD the same, together with all appurtenances thereunto belonging unto the Grantee, its successors and assigns forever, with covenants of General Warranty.

IN TESTIMONY WHEREOF, witness the signatures of Grantors on this the day and year first above written.

GRANTORS:

  
CURTIS RAY OAKS

  
MARRIETTA OAKS

5.00 TAX pd  
12-10-99

CERTIFICATE OF PARTIES

We, the undersigned Grantors and Grantee, do hereby certify, pursuant to KRS Chapter 382, that the above stated consideration in the amount of \$5,000.00 is the true, correct and full consideration paid for the property herein conveyed. We further certify our that falsification of the

stated consideration or sale price of the property is a Class D felony, subject to one to five years imprisonment and fines up to \$10,000.00.

GRANTORS:

Curtis R. Oaks  
CURTIS RAY OAKS

Marietta Oaks  
MARRIETTA OAKS

GRANTEE:

MOUNTAINEER CELLULAR LLC

By: William K. Grigsby  
WILLIAM K. GRIGSBY,  
Authorized Representative

STATE OF KENTUCKY     )  
                                  )SS  
COUNTY OF BREATHITT )

I hereby certify that the foregoing Deed and Easement was produced to me and duly acknowledged before me by CURTIS RAY OAKS and his wife, MARRIETTA OAKS, parties thereto, to be their act and deed, and that the foregoing Certificate of Parties was duly subscribed and sworn to before me by CURTIS

RAY OAKS and his wife, MARRIETTA OAKS, on this the 23<sup>RD</sup>  
day of NOVEMBER, 1999.

  
\_\_\_\_\_  
Notary Public

My commission expires 12/09/2000.

STATE OF KENTUCKY )  
                          )SS  
COUNTY OF KNOTT   )

I hereby certify that the foregoing Certificate of  
Parties was duly subscribed and sworn to before me by  
William K. Grigsby, duly authorized representative of  
Mountaineer Cellular LLC, on this the 2<sup>nd</sup> day of  
December, 1999.

  
\_\_\_\_\_  
Notary Public

My commission expires 9/28/2001.

This instrument prepared without  
examination of title by:

Robin J. Collins  
ROBIN JOHNSON COLLINS  
ATTORNEY AT LAW  
P.O. BOX 176  
LACKEY, KY 41643

STATE OF KENTUCKY     )  
  )SS  
COUNTY OF BREATHITT )

I, TONY G. WATTS, Clerk of Breathitt County, do hereby certify that the foregoing instrument was on the 10<sup>th</sup> day of Dec., 1999, lodged in my office for record and that it, the foregoing, and this my certificate have been duly recorded in my said office in Deed Book 192, page 174.

Witness my hand on this the 10<sup>th</sup> day of Dec., 1999.

TONY G. WATTS, CLERK

By: Stella Robinson D.C.

OFFICE OF BREATHITT CO. CLERK

LODGED 12-10-99  
Deed  
BOOK 192 PAGE 174

Fee 18.00  
Tax 5.00  
23.00 Pct.

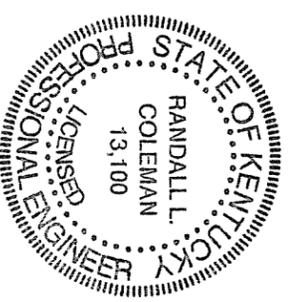
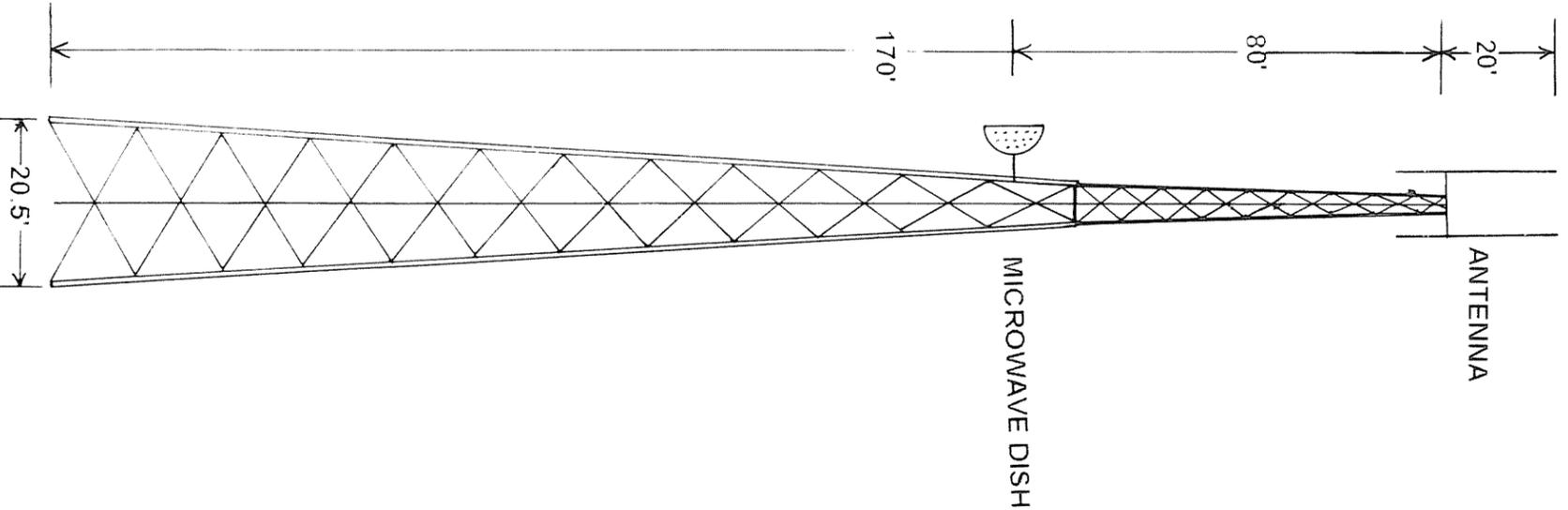
A:5000MC-34



# APPALACHIAN WIRELESS

## VERTICAL PROFILE SKETCH

### JACKSON TOWER



SCALE: 1" = 30'

Note: This is a vertical sketch indicating the proposed tower height above ground, along with relative antenna and dish elevations. No structural tower design criteria was considered in the preparation of this drawing.

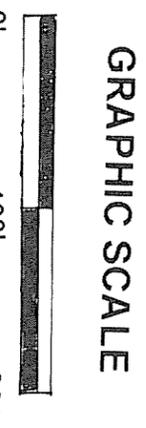
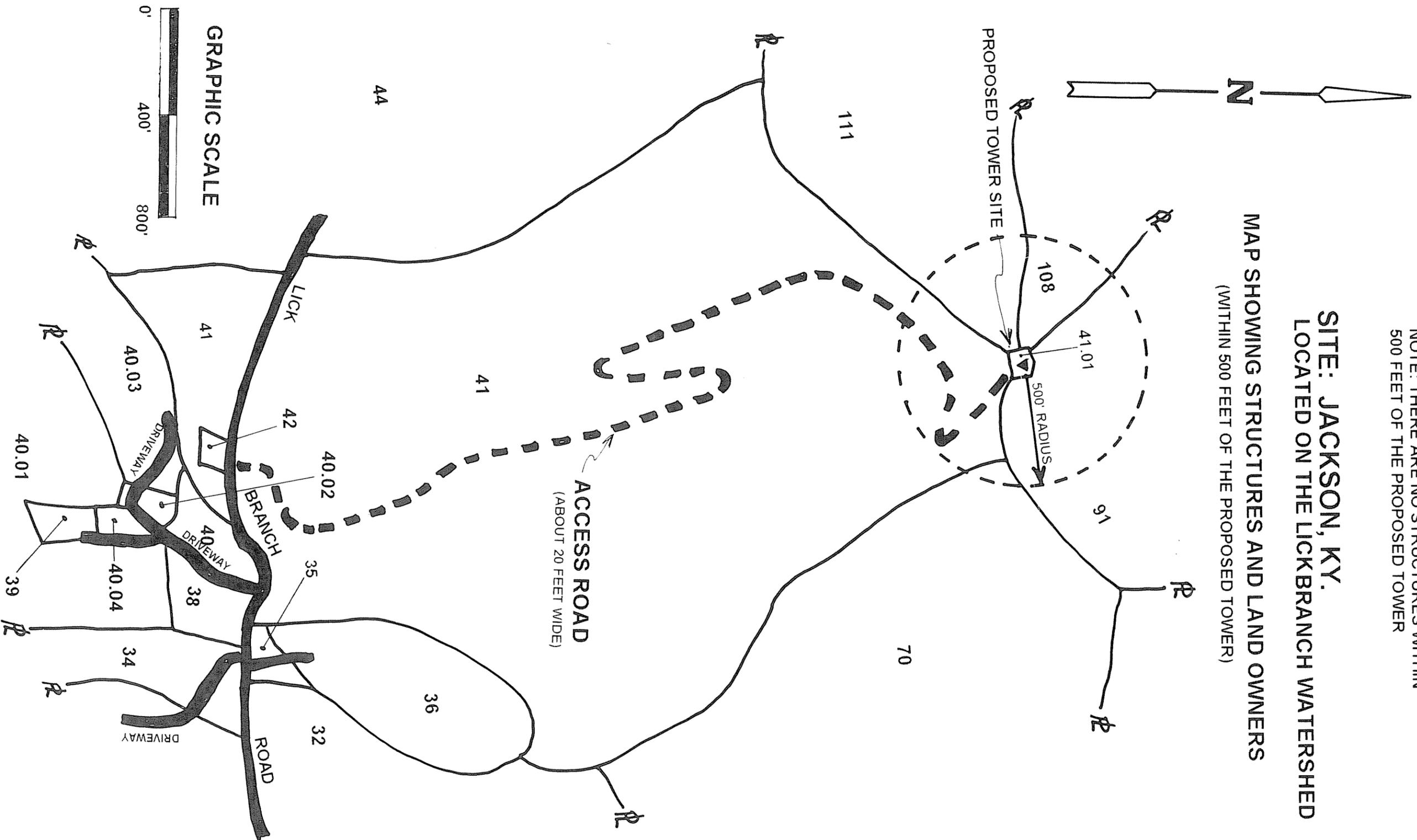
*Randall L. Coleman*  
4/14/05

# APPLACHIAN WIRELESS

NOTE: THERE ARE NO STRUCTURES WITHIN 500 FEET OF THE PROPOSED TOWER

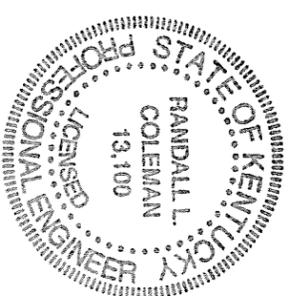
**SITE: JACKSON, KY.  
LOCATED ON THE LICK BRANCH WATERSHED**

**MAP SHOWING STRUCTURES AND LAND OWNERS  
(WITHIN 500 FEET OF THE PROPOSED TOWER)**



SCALE: 1" = 400'

Property ID number	Proprietor and
44	✓FREDDIE 1935 LICK JACKSON
41.01	EAST KY. PO BOX 1 PRESTON
41	✓CURTIS RAY 1760 LICK BR JACKSON, KY
40.04	✓DARRELL HALL 77 OAKS LANE JACKSON, KY
40.03	✓DEBRA & 1755 LICK JACKSON
40.02	ARTHUR 1751 LICK JACKSON
40.01	LOUISE & 1751 LICK JACKSON
40	✓BEULAH 1747 LICK JACKSON
38	✓CATHERI BOX 188 JACKSON
36	✓JAMES JR BOX 284 JACKSON
35	✓MARY J & C 1686 LICK B JACKSON, I
32	✓RENEE & LLO PO BOX 300 JACKSON, KY
70	✓JAMES PAT 638 KINGS JACKSON
91	✓SHARON B GDN. MARR PO BOX 933 BEATTYVIL
111	✓HARGIS SH 156 RUSSEE CAMPTON
108	✓J.L. SHOUS 3135 N. ST. FRANKLIN
42	CEMETERY
39	CEMETERY



ENGINEER'S CERTIFICATE: I hereby certify that the information shown is correct to the best of my knowledge and belief, in accordance with the records found in the office of the Property Valuation Administrator of Breathitt County Kentucky on June 24, 05. Property Identification numbers shown herein duplicate those numbers provided by the DPVA.